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PARIS FOR BIGELOW, GENEVA FOR SIEVERTS

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TAGS: SOPN, XC, US

SUBJECT: DECEMBER 19 EA PRESS SUMMARY

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KINSHASA FOR CAYLEY

LUSAKA FOR WISNER

1. MORIA

WP'S OBERDORFER SAYS CRIPTIC REMARK BY PRES CHUN/2 WKS
INACTION BY SUPREME COURT HAVE HEIGHTENED SPECULATION IN
WASHDC OFFICIAL CIRCLES THAT KIM IAE JUNG'S LIFE WILL BE
SPARED, THUS AVERTING SERIOUS DAMAGE TO US-ROK RELS.
ACCORDING OBERDORFER, US SOURCES SAY CHUN TOLD SECDEF
PROVN IN PRIVATE MEETING -- IN WHICH PROVN DELIVERED
"EIGHTY FACE-TO-FACE EXPRESSION OF CONCERN FOR KIM --
"OUR COURTS ARE FAIR. LET THE VERDICT STAND."

OBERDORFER REPORTS SOME US OFFICIALS TOOK THIS AS HINT
SUPREME COURT LIKELY THROW OUT DEATH SENTENCE IN REVIEW
OF KIM'S VERDICT. ADDS THIS BELIEF ENCOURAGED BY FACT
COURT HAS NOT YET RULED DESPITE WIDESPREAD RUMORS 2 WKS

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DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>8/18/82</u>	DATE <u>11/</u>
RDS ☐ OF XDS ☐ EXT. DATE	REASON(S)
TS AUTH.	
ENDORSE EXISTING MARKINGS ☐	
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AGO THAT DEATH SENTENCE ABOUT BE ANNOUNCED. HOWEVER, ALSO NOTES 2ND INTERPRETATION THAT CHUN TELLING US HE WOULD NOT EXERCISE POWER OF CLEMENCY IF/WHEN COURT UPHOLDS SENTENCE. OPERIORFER OBSERVES IT ASSUMED IN HIGH US OFFICIAL CIRCLES THAT SUPREME COURT, LIKE OTHER KOREAN INSTITUTIONS, SUSCEPTIBLE TO INFLUENCE, IF NOT OUTRIGHT BRIERS, FROM BLUE HOUSE.

2. EA GENERAL

NYT'S MIDDLETON SAYS SECDEF BROWN, IN NY SPEECH THURS TO CCUNCIL ON FOR. RELS, APPARENTLY BASED ON REMARKS ADDRESSED TO NATO DEFVINS IN BURSSELS LAST WK, WARNED

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OF STEADY GROWTH OF SOVIET CONVENTIONAL MIL POWER/ WILLINGNESS TO USE IT. REPORTS AMONG OTHER AREAS, BROWN SAID SOVIET MIL POWER BEING EXERTED IN ASIA. SAYS HE CITED "MAJOR GROWTH" OF NK'S MIL STRENGTH DURING LAST DECADE. BUT ADDS BROWN STATED OPTIMISTICALLY THAT HE BELIEVED SOVIET MIL ACTIVITIES IN ASIA "MORE THAN OFFSET" BY RAPPROCHEMENT BETWEEN CHINA/WESTERN POWERS, WITH JAPAN. HOWEVER, SAYS BROWN ALSO WARNED "SOVIET AND COMBINED SOVIET-NORTH KOREAN CONVENTIONAL THREATS IN ASIA REMAIN SERIOUS."

3. JAPAN

REUTER (TOKYO)/WSTAR'S MORRIS/WSJ REPORT JAPAN AGREED FRI END 5-YR TRADE DISPUTE W/US BY AGREEING OPEN UP CONTRACTS FOR COMMUNICATIONS EQUIPMENT TO FOR BIDDERS. REUTER NOTES AGREEMENT GOES INTO FORCE JAN 1 AFTER EXCHANGE OF LETTERS BETWEEN JAPANESE REP ON EXTERNAL ECON RELS OKITA/USTR ASKEW, ACCORDING GCIJ ANNOUNCEMENT. ADDS UNDER AGREEMENT, JAPAN WILL OPEN UP ALL PROCUREMENT CONTRACTS OF NTT, AMOUNTING TO ABOUT 3.4 BIL DOLS YRLY, TO FREE INTL COMPETITION.

MORRIS ALIS ASKEW SALT AGREEMENT COULD HELP ERASE GROWING US-JAPAN TRADE IMEALANCE, TECHUG PROOF WOULD BE IN ACTUAL SALES, WHICH USG "WILL BE WATCHING CLOSELY."

REUTER (TOKYO) NOTES JAPAN'S POPULATION HAS INCREASED BY 5.2 MIL PEOPLE IN PAST 5 YRS TO 117,057,485. ACCORDING PM'S OFFICE.

REUTER (VICTORIA, SEYCHELLES 12/18, REPORTS SEYCHELLES THURS PROTESTED AGAINST WHAT IT CALLED JAPANESE ATTEMPT MAKE PROVISION OF AID DEPENDENT ON INDIAN OCEAN ISLS MODERATING THEIR CAMPAIGN AGAINST WHALING. AIDS PLANNING/DEVELOPMENT MIN FERRARI PUBLISHED PROTEST

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NOTE SENT TO JAPANESE STATING HIS GOVT "CONSIDERED IT UNDIGNIFIED TO TRY TO IMPOSE ITS VIEWS ON ANOTHER THROUGH ECONOMIC COOPERATION." REUTER POINTS OUT

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SEYCHELLES IS DEVELOPING OWN FISHING INDUSTRY/APPROACHED JAPAN FOR ASSISTANCE; BUT JAPAN TOLD SEYCHELLES UNTIL IT CHANGED CAMPAIGN TO BAN COMMERCIAL WHALING, NO SUCH AID WOULD BE FORTHCOMING, ACCORDING TO PROTEST.

REUTER (TOKYO) SAYS SPOKESMAN FOR CATHOLIC BISHOPS CONF OF JAPAN SAID FRI POPE JOHN PAUL WILL VISIT JAPAN FEB 23. AFTER VISITING PHILS/GUAM WILL SPEND 2 DAYS EACH IN TOKYO/NAGASAKI/WILL STOP IN HIROSHIMA, REUTER REPORTS.

WSJ (TOKYO) STATES PM SUZUKI APPROVED ECONOMIC PLANNING AGENCY'S ECON-FORECAST, REPORT PROJECTING JAPAN'S INFLATION-ADJUSTED ECON GROWTH IN YR BEGINNING APR 1 AT 5.3 PCT. NOTES FORECAST CITES EXPECTED STABILIZATION OF CONSUMER PRICES/PICKUP IN CONSUMER DEMAND IN PREDICTING ACCELERATED GROWTH RATE. POINTS OUT, HOWEVER, AGENCY'S FORECAST MORE OPTIMISTIC THAN PROJECTIONS OF JAPANESE ECON THINK-TANK, YAMAICHI RESEARCH INSTITUTE, WHICH PREDICTED 4.1 PCT GROWTH RATE. ESUM CARRIES AP PHOTO OF PM SUZUKI -- IN GLOVES AND BOOTS -- CHECKING OUT TUNA AT TOKYO'S SPRAWLING TSUKIJI WHOLESALE FISH MARKET.

4. CHINA

AP (PHINQ/NIYN/NYT)/UPI (WSTAR) ECLIPSE/REUTER'S PASCOE (12/18) (ALL BEIJING)/WSJ NOTE TRIALS RESUMED THURS

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AS CHEN BOCA/WU FAXIAN GAVE LAST TESTIMONY. REPORT CHEN ADMITTED HE BORE HEAVY GUILT FOR PERSECUTION OF LIU SHAOQI/SAID HE HAD "NOTHING TO SAY TO DEFEND MYSELF," ASKED FOR MERCY. ACCORDING UPI, CHEN AGAIN IMPLICATED JIANG QING IN PLOT TO SEIZE CONTROL OF ARMY. AP SAYS HIS LAWYERS ARGUED LENIENCY FOR HIM WARRANTED BECAUSE HE DEMONSTRATED GOOD ATTITUDE BY CONFESSING. ALSO SAYS WU ASKED FOR CHANCE TO "CORRECT MY ERRORS AND MAKE A FRESH START"/SAID "I CAN ONLY ADMIT CRIMES." AP NOTES WU'S LAWYERS MAINTAINED HE NOT LEADING ELEMENT/MANY OF HIS CRIMES CARRIED OUT UNDER DIRECTIONS OF LIN BIAO HIS WIFE. ECLIPSE NOTES FINAL ARGUMENTS REMAIN TO BE HEARD IN CASES OF JIANG QING/6 OTHERS.

REUTER (BEIJING 12/18) SAYS DISGRACED PROPAGANDIST YAO WENJUAN WENT IN LOCK FRI FOR SUMMING-UP OF CASE AGAINST HIM, ACCORDING FORMIN SPOKESMAN, WHILE 2ND TRIBUNAL BEGAN SUMMATION IN CASE AGAINST FORMER ARMED FORCES CHIEF OF STAFF ZHANG YONGSHEN.

AP (PHINQ/NIYN BEIJING), IN ANOTHER DEVELOPMENT, QUOTES DIPLO SOURCES THAT HUA GUOFENG, UNDER HEAVY PRESSURE, "EXPRESSED HIS DESIRE" TO STEP DOWN, BECAUSE IT NOT KNOWN WHEN HE WOULD DO SO.

REUTER (12/18) CITES USDA ANNOUNCEMENT THURS THAT US/CHINA HAVE AGREED IN PRINCIPLE TO '81 AGRI EXCHANGE

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PROGRAM ON IMPROVEMENT OF SOIL/TREES/STILMENT CONTROL,
INCLUDING EXCHANGE OF SPECIALISTS BETWEEN USDA'S
RESEARCH CENTER IN MD/CHINA'S INSTITUTE OF POMCICGY
(STUDY OF FRUIT). NOTES OVERALL PROGRAM WILL INCLUDE
24 SCI/TECH EXCHANGES.

CSM (BEIJING) SAYS PT PLANS START US EDITION NEXT YR
WHICH WILL BE PRINTED IN CHINESE IN SFO FOR DISTRIBUTION
TO US SUBSCRIBERS/OTHERS IN W HEMISPHERE. NOTES PT

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EDITORS SAY THEY INTEND US EDITION FOR READERS IN
CHINESE-AMERICAN COMMUNITY/STUDENTS, SCHOLARS STUDYING
CHINESE LANGUAGE OR CURRENT NEWS. CSM ADDS PT ALSO
PLANS NEXT YR TO PUBLISH SEPARATE ENGLISH-LANGUAGE
DAILY IN BEIJING WITH PURPOSE TO SUPPLY GENERAL WORLD
NEWS TO FOR COMMUNITY IN CHINA/TO TOURISTS.

REUTER (BEIJING 12 18) NOTES MCNA DISPATCH FROM WASHDC
BLAMING JOHN LENNON'S MURDER ON ILIS OF US SOCIETY
SAYING EVENT HAS PROMPTED NATIONWIDE DEBATE ON WHETHER
RIGHT TO CARRY FIREARMS SHOULD BE ABOLISHED. SAYS
ALCNA SUGGESTED PROBLEM CANNOT EASILY BE SOLVED IN
SOCIETY EMPHASIZING SUPREMACY OF INDIVIDUAL/ADVOCATING
PURSUIT OF HAPPINESS BY MAKING MONEY/IN WHICH THERE
INEQUALITY BETWEEN RICH/POOR/MENTAL DEPRESSION/WHERE
NEWS/FILMS/NOVELS-ABOUT CRIME, MURDER PERVASIVE.
COMMENT AND ANALYSIS

5. CHINA

LAT'S PAPER (BEIJING 12 16) SAYS CHINA ANNOUNCED MON IT
ESTABLISHING SEPARATE EXCHANGE RATES TO ENCOURAGE
INDUSTRIES INCREASE EXPORTS WILL EVEN LET THEM SELL
PRODUCTS ABOARD AT WHAT WOULD NOW BE LOSS. SUGGESTS
MOVE WILL ALSO HAVE EFFECT OF CUTTING IMPORTS BY
INCREASING THEIR COST TO CHINESE CUSTOMERS WILL FURTHER
REDUCE PROSPECTS OF US/JAPAN/W EURO INCREASING SALES OF
INDUSTRIAL EQUIPMENT/ADVANCED TECHNOLOGY TO CHINA.
EXPLAINS THAT UNDER NEW SYSTEM OF SO-CALLED "PARALLEL"
EXCHANGE RATES, FOR CURRENCIES USED IN TRADE TRANSACTIONS
WILL BE WORTH MORE IN EXCHANGE FOR CHINESE CURRENCY --

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IN EFFECT DEVALUING CURRENCY IN REGARD TO FOR TRADE.
POINTS OUT, HOWEVER, CURRENT EXCHANGE RATE EXPECTED
REMAIN SAME FOR MOST OTHER TRANSACTIONS, INCLUDING
TOURISM. NOTES MOST CHINA'S TRADE DEALS ALREADY CAL-
CULATED USING HARD CURRENCIES/THAT WHILE FOREIGNERS
BUYING CHINESE CURRENCY WOULD CONTINUE TO PAY CURRENT
OFFICIAL RATE, NEW SYSTEM WOULD MEAN EXPORTING ENTER-
PRISES IN CHINA WOULD GET CONSIDERABLY MORE FOR THEIR
FOR EARNINGS/THOSE IMPORTING WOULD BE CHARGED MORE FOR

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FOR EXCHANGE THEY NEED TO PAY FOR PURCHASES. PARKS REPORTS CHINESE FOR EXCHANGE CONTROL ADMIN DID NOT GIVE NEW PARALLEL EXCHANGE RATE OR EXPLAIN ITS RELATIONSHIP TO PRESENT RATE WHEN MAKING ANNOUNCEMENT, THOUGH NOTES IT DID DENY RUMORS IN BEIJING, EX THAT CHINA HAD DECIDED ON GENERAL DEVALUATION OF NEARLY 50 PCT. CITES OFFICIAL EXPLANATION THAT PARALLEL RATE ESTABLISHED AS EXCHANGE RATE "FOR INTERNAL SETTLEMENT OF ACCOUNTS. QUOTES CONTROL ADMIN OFFICIAL THAT MEASURE ONLY "TO READJUST LOSSES AND GAINS...IT REPRESENTS PART OF THE EFFORT TO RESTRUCTURE CHINA'S ECONOMIC SYSTEM AND HAS NOTHING TO DO WITH THE EXCHANGE RATE FOR RENMINBI IN DEALING WITH FOREIGN COUNTRIES." BUT PARKS NOTES ADMIN ALSO ACKNOWLEDGED THAT 1 PRINCIPAL PURPOSE OF MOVE TO "HELP COMPANIES THAT MAKE LOSSES IN THE EXPORT TRADE. NYT'S BUTTERFIELD (BEIJING 12/14) CITES CASE RECENTLY PUBLICIZED IN CHINESE NEWSPAPERS OF CHINESE SCIENTISTS IN US WHO RETURNED TO PRC AFTER REVOLUTION TO HELP BUILD COUNTRY BUT WAS KEPT FROM WORKING IN HIS SPECIALITY BECAUSE OF "SUSPICION" WHICH LED TO ARREST/IMPRISONMENT BEFORE HE FINALLY RELEASED EVENTUALLY RETURNED TO US. CITES PI ARTICLE STATING AT END '78 THERE 196,000 SCIENTISTS/TECHNICIANS OUT OF WORK -- MORE THAN TOTAL PRODUCED BY ALL CHINA'S UNIVERSITIES IN SINGLE YR.

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BUTTERFIELD BELIEVES THAT FOR COUNTRY TRYING CARRY OUT AMBITIOUS ECON MODERNIZATION PLAN/WHICH ALREADY FACES ACUTE TRAINED MANPOWER SHORTAGE, THAT IS SERIOUS PROBLEM. SAYS, ACCORDING PI, IN LAST 2 YRS UNDER GOVT PRESSURE, 20 PCT OF THESE SCIENTISTS OFFERED "FAIRLY REASONABLE ARRANGEMENTS." BUT NOTES ADDED THAT SUCH MOVEMENT "HAS NOT PROGRESSED EVENLY" BECAUSE SOME IN CHARGE OF PERSONNEL DEPTS "STILL CEASED WITH IDEOLOGICAL PROBLEMS"/"ARE AFRAID OF TAKING RISKS AND MAKING MISTAKES." QUOTES PI'S STATEMENT MANY INTELLECTUALS VICTIMS OF MISCARRIAGES OF JUSTICE BY BEING LABELED RIGHTISTS OR COUNTER-REVOLUTIONARIES WERE FORCED TO GIVE UP JOBS. ADDING WHAT APPEARS TO BE PROBLEMS TO SOME SIMPLY "REFLECTION OF THEIR PREJUDICE AGAINST INTELLECTUALS."

6. JAPAN

WSJ (12/15) CARRIES ARTICLE BY HS KLEIMAN, VP ECON ANALYST FOR PRESCOTT, PALL & TURBIN OF CLEVELAND, IN WHICH HE AIMS HIS VIEWS ON REASONS FOR JAPAN'S SUCCESS IN PENETRATING US MARKETS. INDICATES SELDOM APPRECIATED EXPLANATION CRITICAL TO UNDERSTANDING JAPANESE SUCCESS (AT LEAST FOR CONSUMER GOODS/SELECTED OFFICE EQUIPMENT), IS THAT THEY VERY SKILLFUL AT MARKETING, CONCENTRATING ON NICHE US MFRS SERVED POORLY OR SIMPLY IGNORED.

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KLEIMAN ARGUES WHILE US MANAGERS WON'T BE ABLE DUPLICATE
ALL FEATURES OF JAPANESE BUSINESS, NOTHING STOPS
AMERICANS FROM EMULATING JAPANESE IN COMPETITIVE
IMPORTANCE OF APPEALING TO MARKET SEGMENTS WHICH AREN'T
BEING SERVED WELL.

MUSKIE

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